

FILED IN UNITED STATES DISTRICT
COURT, DISTRICT OF UTAH

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Attorneys for Plaintiff

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

AMERICAN COVERS, INC., a Utah
Corporation,

Plaintiff,

v.

FLEXIBLE INNOVATIONS, LTD., a Texas
Limited Partnership,

Defendant.

CIVIL ACTION NO.
2:05 CV 00083 DAK

REPLY TO COUNTERCLAIMS

Judge Dale A. Kimball

Plaintiff, American Covers, Inc. (hereinafter "American Covers"), by and through counsel, hereby provides this Reply to Counterclaims. Defendant, Flexible Innovations, Ltd. (hereinafter "Flexible Innovations") filed Defendant's Answer, Affirmative Defenses, and Counterclaims with this Court on or about November 18, 2005.

REPLY TO COUNTERCLAIMS

1. American Covers is without knowledge or information sufficient to form a belief as to the truth of the averments in paragraph 1 of the Counterclaims, and therefore denies same.
2. American Covers admits the averments in paragraph 2 of the Counterclaims.
3. American Covers admits the averments in paragraph 3 of the Counterclaims.
4. American Covers admits that venue is proper in this Court; American Covers admits that a case styled *Flexible Innovations, Ltd. v. American Covers, Inc.*, Civil Action No. 4-05-CV-021-A filed in the Northern District of Texas, Fort Worth Division, was dismissed; American Covers admits that Appeal No. 06-1028 in the Court of Appeals for the Federal Circuit is currently pending and the appeal speaks for itself; and American Covers denies any remaining averments in paragraph 4 of the Counterclaims.
5. American Covers admits that the current action involves U.S. Patent No. 6,673,409 B1 entitled "Frictional Holding Pad;" and American Covers is without knowledge or information sufficient to form a belief as to the truth of any remaining averments in paragraph 5 of the Counterclaims, and therefore denies same.
6. American Covers incorporates the responses to paragraphs 1 through 5 above, as though fully set forth herein.
7. American Covers denies the averments in paragraph 7 of the Counterclaims.
8. American Covers incorporates the responses to paragraphs 1 through 7 above, as though fully set forth herein.
9. American Covers denies the averments in paragraph 9 of the Counterclaims.

American Covers asserts that Flexible Innovations is not entitled to any of the relief requested in Flexible Innovations' Prayer for relief.

AFFIRMATIVE DEFENSES

1. U.S. Patent No. 6,673,409 B1 is valid and enforceable.
2. Flexible Innovations has been and continues to make, use, import, offer to sell, and/or sell within the United States products which infringe one or more claims of U.S. Patent No. 6,673,409 B1.

DATED: December 15, 2005

THORPE NORTH & WESTERN, LLP


Peter M. de Jonge
Gordon K. Hill
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Attorneys for Plaintiff

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing REPLY TO COUNTERCLAIMS was served upon Defendant's counsel by depositing a copy of the same with the United States Post Office via first class mail, postage prepaid, in an envelope addressed to:

Richard L. Schwartz
WHITAKER CHALK SWINDLE & SAWYER, L.L.P.
301 Commerce Street, Suite 3500
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H. Dickson Burton
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230 South 500 East, Suite 300
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on this 1st day of December, 2005.


